

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1**FINANCIAL REPORT****DECEMBER 31, 2011**

Under provisions of state law, this report is a public document. A copy of the report has been submitted to the entity and other appropriate public officials. The report is available for public inspection at the Baton Rouge office of the Legislative Auditor and, where appropriate, at the office of the parish clerk of court.

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INDEPENDENT AUDITORS' REPORT

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To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, Louisiana

We have audited the accompanying basic financial statements of Allen Parish Ambulance Service District No. 1, a component unit of the Allen Parish Police Jury, as of and for the years ended December 31, 2011 and 2010, as listed in the table of contents. These financial statements are the responsibility of the Ambulance District's management. Our responsibility is to express an opinion on these financial statements based on our audits.

We conducted our audits in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free of material misstatement. An audit includes examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements. An audit also includes assessing the accounting principles used and significant estimates made by management, as well as evaluating the overall financial statement presentation. We believe that our audits provide a reasonable basis for our opinion.

In our opinion, the financial statements referred to above present fairly, in all material respects, the financial position of Allen Parish Ambulance Service District No. 1 as of December 31, 2011 and 2010, and the results of its operations and cash flows for the years then ended in conformity with accounting principles generally accepted in the United States of America.

In accordance with *Government Auditing Standards*, we have also issued our report dated June 22, 2012 on our consideration of Allen Parish Ambulance Service District No. 1's internal control over financial reporting and our tests of its compliance with certain provisions of laws, regulations, contracts, grant agreements and other matters. The purpose of that report is to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* and should be considered in assessing the results of our audits.

The Allen Parish Ambulance Service District No. 1 has not presented management's discussion and analysis that accounting principles generally accepted in the United States of America has determined is necessary to supplement, although not required to be part of, the basic financial statements.

Our audits were conducted for the purpose of forming an opinion on the financial statements that collectively comprise the Allen Parish Ambulance Service District No. 1's financial statements as a whole. The accompanying schedules of board fees is presented for purposes of additional analysis and is not a required part of the financial statements. The schedules of board fees is the responsibility of management and was derived from and relate directly to the underlying accounting and other records used to prepare the financial statements. The information has been subjected to the auditing procedures applied in the audit of the financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the financial statements or to the financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the information is fairly stated in all material respects in relation to the financial statements as a whole.

Broussard, Pocke, Lewis & Broussard, L.L.P.

Lafayette, Louisiana
June 22, 2012

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

BALANCE SHEETS
December 31, 2011 and 2010

ASSETS	2011	2010
CURRENT ASSETS		
Cash and cash equivalents	\$ 99,040	\$ 50,313
Certificates of deposit	500,000	400,000
Patient accounts receivable, net of estimated uncollectibles of \$80,228 and \$48,255 for 2011 and 2010, respectively	121,559	98,584
Ad valorem tax receivable, net of estimated uncollectibles of \$13,458 and \$18,507 for 2011 and 2010, respectively	107,163	139,337
Due from other governmental agencies	283,188	259,558
Inventory	21,260	19,337
Prepaid expenses	38,973	32,527
Other receivables	<u>172</u>	<u>11,226</u>
Total current assets	\$ 1,171,355	\$ 1,010,882
CAPITAL ASSETS		
Property, plant and equipment, at cost, less accumulated depreciation \$495,184 and \$439,636 for 2011 and 2010, respectively	<u>399,227</u>	<u>506,617</u>
Total assets	<u>\$ 1,570,582</u>	<u>\$ 1,517,499</u>
 LIABILITIES AND NET ASSETS		
CURRENT LIABILITIES		
Accounts payable	\$ 3,543	\$ 13,338
Accrued liabilities	<u>82,710</u>	<u>90,753</u>
Total current liabilities	<u>\$ 86,253</u>	<u>\$ 104,091</u>
NET ASSETS		
Invested in capital assets net of related debt	\$ 399,227	\$ 506,617
Unrestricted	<u>1,085,102</u>	<u>906,791</u>
Total net assets	<u>\$ 1,484,329</u>	<u>\$ 1,413,408</u>
Total liabilities and net assets	<u>\$ 1,570,582</u>	<u>\$ 1,517,499</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF REVENUES, EXPENSES AND CHANGES IN NET ASSETS
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
Operating revenues:		
Net patient service revenues, net of provision for bad debts of \$200,769 and \$212,595 for 2011 and 2010, respectively	\$ 947,798	\$ 862,095
Other operating revenues	<u>182</u>	<u>1,681</u>
Total operating revenues	<u>\$ 947,980</u>	<u>\$ 863,776</u>
Operating expenses:		
Salaries	\$ 797,449	\$ 779,799
Advertising	1,434	2,949
Board members' per diems	2,100	2,200
Repairs and maintenance	27,243	17,635
Depreciation expense	112,048	108,702
Employee benefits	56,279	50,033
Fuel expense	30,841	23,814
Insurance expense	61,959	70,340
Medical director	3,000	3,000
Other expenses	11,812	16,608
Payroll taxes	16,918	13,223
Postage and delivery	1,117	1,335
Professional expenses	15,535	15,533
Retirement expense	122,845	115,840
Supplies	32,854	30,143
Telephone expense	9,461	8,815
Utilities	<u>11,384</u>	<u>11,393</u>
Total operating expenses	<u>\$ 1,314,279</u>	<u>\$ 1,271,362</u>
Operating loss	<u>\$ (366,299)</u>	<u>\$ (407,586)</u>
Non-operating revenues:		
Ad valorem taxes, net of pension deduction	\$ 429,613	\$ 402,473
Investment income	7,107	10,723
Gain on disposal of capital assets	<u>500</u>	<u>-</u>
Total non-operating revenues	<u>\$ 437,220</u>	<u>\$ 413,196</u>
Excess of revenues over expenses before capital grants	\$ 70,921	\$ 5,610
Capital grant income	<u>-</u>	<u>7,526</u>
Increase in net assets	\$ 70,921	\$ 13,136
Net assets beginning of year, as restated	<u>1,413,408</u>	<u>1,400,272</u>
Net assets end of year	<u>\$ 1,484,329</u>	<u>\$ 1,413,408</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

STATEMENTS OF CASH FLOWS
Years Ended December 31, 2011 and 2010

	<u>2011</u>	<u>2010</u>
CASH FLOWS FROM OPERATING ACTIVITIES		
Receipts from and on behalf of patients	\$ 924,823	\$ 855,269
Payments to suppliers and contractors	(300,101)	(267,119)
Payments to employees	(928,337)	(876,468)
Other receipts and payments, net	<u>11,182</u>	<u>18,918</u>
Net cash used in operating activities	<u>\$ (292,433)</u>	<u>\$ (269,400)</u>
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Ad valorem taxes	<u>\$ 438,158</u>	<u>\$ 411,733</u>
CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES		
Payments for the purchase of property and equipment	\$ (4,658)	\$ (116,467)
Proceeds from the sale of capital assets	500	-
Capital grant income	<u>-</u>	<u>7,526</u>
Net cash used in capital and related financing activities	<u>\$ (4,158)</u>	<u>\$ (108,941)</u>
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest income	\$ 7,160	\$ 10,723
Redemption of certificates of deposit	250,000	500,000
Purchase of certificates of deposit	<u>(350,000)</u>	<u>(550,000)</u>
Net cash used in investing activities	<u>\$ (92,840)</u>	<u>\$ (39,277)</u>
Net increase (decrease) in cash and cash equivalents	\$ 48,727	\$ (5,885)
Cash and cash equivalents, beginning	<u>50,313</u>	<u>56,198</u>
Cash and cash equivalents, ending	<u>\$ 99,040</u>	<u>\$ 50,313</u>
RECONCILIATION OF OPERATING LOSS TO NET CASH USED IN OPERATING ACTIVITIES		
Operating loss	\$ (366,299)	\$ (407,586)
Adjustment to reconcile operating loss to net cash used in operating activities:		
Depreciation	112,048	108,702
Provision for bad debts	200,769	212,595
(Increase) decrease in assets -		
Patient accounts receivable	(223,744)	(219,421)
Prepaid expenses	(6,446)	(3,519)
Inventories	(1,923)	(2,724)
Other receivables	11,000	17,237
Increase in liabilities -		
Accounts payable	(9,795)	6,145
Accrued liabilities	<u>(8,043)</u>	<u>19,171</u>
Net cash used in operating activities	<u>\$ (292,433)</u>	<u>\$ (269,400)</u>

See Notes to Financial Statements.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 1. Description of Organization and Summary of Significant Accounting Policies

The following is a summary of the Allen Parish Ambulance Service District No. 1's (the "Ambulance District") significant accounting policies:

Organization:

The Ambulance District was established by the Allen Parish Policy Jury, by virtue of the authority of R.S. 1261, et seq. The purpose of the Ambulance District is to own and operate ambulances for the transportation of persons suffering from illnesses or disabilities which necessitate ambulance care. The Ambulance District is governed by a Board of Commissioners composed of five qualified voters of the Ambulance District, which are appointed by the Allen Parish Police Jury. The Ambulance District is a component unit of the Allen Parish Police Jury. The accompanying financial statements present only the Ambulance District.

The financial statements of the Ambulance District have been prepared in accordance with generally accepted accounting principles in the United States of America ("GAAP") applicable to state and local governments. The Governmental Accounting Standards Board ("GASB") is the accepted standard-setting body for establishing governmental accounting and financial reporting principles. The significant accounting and reporting policies and practices used by the Ambulance District are described below.

Method of accounting -

The Ambulance District's financial statements are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the time of related cash flows. Property taxes are recognized as revenues in the year they are levied. Grants are recognized as revenue as soon as eligibility requirements imposed by the provider have been met. The Ambulance District's accounting and reporting procedures also conform to the requirements of Louisiana Revised Statute 24:514 and to the guide set forth in the *Louisiana Governmental Audit Guide*, and the *Audit and Accounting Guide - Health Care Organizations*, published by the American Institute of Certified Public Accountants, and standards established by the GASB.

Use of estimates -

The preparation of the basic financial statements in conformity with generally accepted accounting principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the basic financial statements and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Cash and cash equivalents -

For purposes of the statements of cash flows, the Ambulance District considers all highly liquid investments with an original maturity of three months or less when purchased to be cash equivalents. Under state law, the Ambulance District may deposit funds in demand deposits, interest-bearing demand deposits, or time deposits with state banks organized under Louisiana Law or any other state of the United States, or under the laws of the United States.

Trade receivables and allowance for uncollectible accounts -

Trade receivables are carried at the original billed amount less an estimate made for uncollectible accounts based on a review of all outstanding amounts on a monthly basis. Management determines the allowance for uncollectible accounts by identifying troubled accounts and by using historical experience applied to an aging of accounts. Trade receivables are written-off when deemed uncollectible. Recoveries of trade receivables previously written-off are recorded when received.

Inventories -

Inventories are valued at the latest invoice price, which approximates the lower of cost (first-in, first-out method) or market.

Property, plant, and equipment -

Property, plant, and equipment is stated at cost. Equipment under capital lease obligations is amortized on the straight-line method over the shorter period of the lease term or the estimated useful life of the equipment. Such amortization is included in depreciation expense in the basic financial statements. Donated property is recorded at its estimated fair value, at the date of receipt. Depreciation is computed using the straight-line method over the estimated useful lives of each class of depreciable assets.

Ambulances	5 years
Building improvements	10 years
Buildings	25 - 30 years
Equipment	5 - 10 years

Net patient revenue -

Net patient revenue is reported at the estimated net realizable amounts from patients, third-party payors, and others for services rendered, including estimated retroactive adjustments under reimbursement agreements with third-party payors. Retroactive adjustments are accrued on an estimated basis in the period the related services are rendered and adjusted in future periods, as final settlements are determined.

Grants and donations -

Revenues from grants and donations (including capital contributions of assets) are recognized when all eligibility requirements, including time requirements, are met. Grants and donations may be restricted for either specific operating purposes or for capital purposes. Amounts that are unrestricted or that are restricted to a specific operating purpose are reported as non-operating revenues. Amounts restricted to capital acquisitions are reported after non-operating revenues and expenses.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Operating revenues and expenses -

The Ambulance District's statements of revenues, expenses and changes in net assets distinguishes between operating and non-operating revenues and expenses. Operating revenues result from exchange transactions associated with providing health care services, the Ambulance District's principal activity. Non-exchange revenues, including taxes, grants and contributions received for purposes other than capital asset acquisition, are reported as non-operating revenues. Operating expenses are all expenses incurred to provide health care services, other than financing costs.

Income taxes -

The Ambulance District is a political subdivision and exempt from taxes.

Advertising -

The Ambulance District expenses advertising costs as incurred. Advertising expense for the years ended December 31, 2011 and 2010 totaled \$1,434 and \$2,949, respectively.

Risk management -

The Ambulance District is exposed to various risks of loss from tort; theft of, damage to, and destruction of assets; business interruption; errors and omissions; employee injuries and illnesses; natural disasters; and employee health. Commercial insurance coverage is purchased for claims arising from such matters.

Restricted resources -

When the Ambulance District has both restricted and unrestricted resources available to finance a particular program, it is the Ambulance District's policy to use restricted resources before unrestricted resources.

Environmental matters -

The Ambulance District is subject to laws and regulations relating to the protection of the environment. The Ambulance District's policy is to accrue environmental and cleanup related costs of a non-capital nature when it is both probable that a liability has been incurred and when the amount can be reasonably estimated. Although it is not possible to quantify with any degree of certainty, the potential financial impact of the Ambulance District's continuing compliance efforts, management believes any future remediation or other compliance related costs will not have a material adverse effect on the financial condition or reported results of operations of the Ambulance District. At December 31, 2011, management is not aware of any liability resulting from environmental matters.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 2. Third-Party Payor Arrangements

The Ambulance District participates in the Medicare and Medicaid programs as a provider of ambulance services to program beneficiaries. During the years ended December 31, 2011 and 2010, approximately 59% and 63%, respectively, of the Ambulance District's gross patient services were furnished to Medicare and Medicaid beneficiaries. Laws and regulations governing the Medicare and Medicaid programs are complex and subject to interpretation. The Ambulance District believes that it is in compliance with all applicable laws and regulations and is not aware of any pending or threatened investigations involving allegations of potential wrongdoing. While no such regulatory inquiries have been made, compliance with such laws and regulations can be subject to future government review and interpretation as well as significant regulatory action including fines, penalties, and exclusion from the Medicare and Medicaid programs.

The Ambulance District has agreements with third-party payors that provide for payments to the Ambulance District at amounts different from its established rates. A summary of the payment arrangements with major third-party payors follows:

- *Medicare* – Covered ambulance services are paid based on a fee schedule.
- *Medicaid* – Covered ambulance services are paid based on a fee schedule.

The Ambulance District also has entered into payment arrangements with certain commercial insurance carriers, health maintenance organizations, and preferred provider organizations. The basis for payment to the Ambulance District under these agreements includes prospectively determined rates per ambulance trip and prospectively determined rates. The Ambulance District also discounts the base rate charge to parish residents excluding residents of Oakdale.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 3. Net Patient Service Revenues

Net patient service revenues for the years ended December 31, 2011 and 2010 were as follows:

	2011	2010
Gross patient service revenue	\$ 1,950,422	\$ 1,820,737
Coushatta tribe contract revenue	133,200	132,750
Total gross patient service revenues	\$ 2,083,622	\$ 1,953,487
Less:		
Medicare and Medicaid contractual adjustments	(721,311)	(713,249)
Provision for bad debts	(200,769)	(212,595)
Coushatta tribe contract discounts	(56,875)	(31,187)
Insurance and other discounts	(156,869)	(134,361)
Net patient service revenues	\$ 947,798	\$ 862,095

Note 4. Deposits and Investments

The Ambulance District's investing is performed in accordance with investment policies complying with state statutes. Funds may be invested in time deposits, money market investment accounts, or certificates of deposit with financial institutions insured by FDIC; direct obligations of the United States Government and its agencies; commercial paper issued by United States Corporations with a rating of A-1 (Moody's) and P-1 (Standard and Poor's) or higher; and government backed mutual trust funds. At December 31, 2011, the Ambulance District's funds consisted solely of demand deposits and certificates of deposits. These deposits are stated at cost, which approximates market.

Custodial Credit Risk – Deposits. Custodial credit risk is the risk that in the event of a bank failure, the Ambulance District's deposits may not be returned to it. State law requires collateralization of all deposits with federal depository insurance and other acceptable collateral in specific amounts. The Ambulance District's policy requires that all bank balances be insured or collateralized by the financial institution to pledge their own securities to cover any amount in excess of Federal Depository Insurance Coverage (FDIC). As of December 31, 2011 and 2010, \$640,718 and \$450,313, respectively, of the Ambulance District's bank balances and certificates of deposits were not exposed to credit risk. As of December 31, 2011, these deposits were secured from risk by \$354,718 of FDIC coverage and \$250,000 by pledged securities. As of December 31, 2010, the District's deposits were secured from risk by \$300,313 of FDIC coverage and \$150,000 by pledged securities.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 5. Accounts Receivable

Patient accounts receivable reported as current assets by the Ambulance District at December 31, 2011 and 2010 consisted of these amounts:

<u>Patient Accounts Receivable</u>	<u>2011</u>	<u>2010</u>
Receivable from patients and their insurance carriers	\$ 150,808	\$ 125,650
Receivable from Medicare	41,472	13,392
Receivable from Medicaid	9,507	7,797
Total patient accounts receivable	\$ 201,787	\$ 146,839
Less allowance for uncollectible amounts	(80,228)	(48,255)
Patient accounts receivable, net	<u>\$ 121,559</u>	<u>\$ 98,584</u>

Note 6. Concentrations of Credit Risk

The Ambulance District grants credit without collateral to its patients, most of who are local residents and are insured under third-party payor agreements. The mix of receivables from patients and third-party payors at December 31, 2011 and 2010 was as follows:

	<u>2011</u>	<u>2010</u>
Medicare	20 %	9 %
Medicaid	5 %	5 %
Other third-party payors/patients	75 %	86 %
	<u>100 %</u>	<u>100 %</u>

Note 7. Ad Valorem Taxes

The Ambulance District levied 10.02 mills on properties with assessed values of \$44,769,823 and \$46,964,153, net of homestead values, for the years ended December 31, 2011 and 2010, respectively.

The Ambulance District received approximately 31% in 2011 and 32% in 2010 of its financial support from ad valorem taxes. These funds were used to support operations.

The Ambulance District's property tax is levied by the parish on the taxable real property in the Ambulance District in late October of each year. Bills are sent out in November of each year at which time the Ambulance District records the tax revenue, taxes become delinquent on December 31st, and become a lien in the following March.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 8. Capital Assets

Capital assets additions, retirements, and balances for the years ended December 31, 2011 and 2010 were as follows:

	December 31,			December 31,
	2010	Additions	Retirements	2011
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Equipment	225,672	1,745	-	227,417
Office equipment	37,642	2,913	-	40,555
Buildings improvements	31,962	-	-	31,962
Ambulances	496,886	-	(56,500)	440,386
Building	149,091	-	-	149,091
Total historical cost	<u>\$ 946,253</u>	<u>\$ 4,658</u>	<u>\$ (56,500)</u>	<u>\$ 894,411</u>
Less accumulated depreciation for:				
Equipment	\$ (95,151)	\$ (33,784)	\$ -	\$ (128,935)
Office equipment	(32,050)	(2,710)	-	(34,760)
Buildings improvements	(24,733)	(845)	-	(25,578)
Ambulances	(253,709)	(69,479)	56,500	(266,688)
Building	(33,993)	(5,230)	-	(39,223)
Total accumulated depreciation	<u>\$ (439,636)</u>	<u>\$ (112,048)</u>	<u>\$ 56,500</u>	<u>\$ (495,184)</u>
Capital assets, net	<u>\$ 506,617</u>	<u>\$ (107,390)</u>	<u>\$ -</u>	<u>\$ 399,227</u>

	December 31,			December 31,
	2009	Additions	Retirements	2010
Land	\$ 5,000	\$ -	\$ -	\$ 5,000
Equipment	112,021	113,651	-	225,672
Office equipment	34,826	2,816	-	37,642
Buildings improvements	31,962	-	-	31,962
Ambulances	496,886	-	-	496,886
Building	149,091	-	-	149,091
Total historical cost	<u>\$ 829,786</u>	<u>\$ 116,467</u>	<u>\$ -</u>	<u>\$ 946,253</u>
Less accumulated depreciation for:				
Equipment	\$ (64,749)	\$ (30,402)	\$ -	\$ (95,151)
Office equipment	(29,304)	(2,746)	-	(32,050)
Buildings improvements	(23,888)	(845)	-	(24,733)
Ambulances	(184,230)	(69,479)	-	(253,709)
Building	(28,763)	(5,230)	-	(33,993)
Total accumulated depreciation	<u>\$ (330,934)</u>	<u>\$ (108,702)</u>	<u>\$ -</u>	<u>\$ (439,636)</u>
Capital assets, net	<u>\$ 498,852</u>	<u>\$ 7,765</u>	<u>\$ -</u>	<u>\$ 506,617</u>

Depreciation expense for the years ended December 31, 2011 and 2010 amounted to \$112,048 and \$108,702, respectively.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 9. Compensated Absences and Sick Time

Ambulance employees earn 168 to 240 hours of vacation (depending on years of service) and office employees earn 120 vacation hours per year. Only employees with at least one year of service are eligible for vacation days. These vacation days can accrue to a maximum of 336 to 480 hours for Ambulance employees and a maximum of 240 hours for office employees. Accrued compensated absences at December 31, 2011 and 2010 was \$17,931 and \$21,327, respectively.

In December of 2009, the Ambulance District started a policy that allows field personnel to be paid for sick time on a yearly basis. The determination of the payment amount is limited to a threshold based on years of service. This threshold is defined in the Ambulance District's employee manual. Employees must be employed by the Ambulance District for at least one year and the sick days will not be paid upon retirement or separation of employment from the Ambulance District.

Note 10. Retirement

Plan Description. Substantially, all employees of the Allen Parish Ambulance Service District No. 1 are members of the Parochial Employees' Retirement System of Louisiana (the "System"), a cost-sharing, multiple-employer public employee retirement system (PERS), controlled and administered by a separate Board of Trustees. The System is composed of two distinct plans, Plan A and Plan B, with separate assets and benefit provisions. Employees of the Ambulance District are members of Plan A.

All permanent employees working at least 28 hours per week who are paid wholly or in part from Ambulance District funds and all elected parish officials are eligible to participate in the System. Under Plan A, employees who retire at or after age 60, with at least 10 years of creditable service, at or after age 55 with at least 25 years of creditable service, or at any age with at least 30 years of creditable service are entitled to a retirement benefit, payable monthly for life, equal to 3% of their final-average salary for each year of creditable service. However, for those employees who were members of the supplemental plan only prior to January 1, 1980, the benefit is equal to 1% of final average salary plus \$24 for each year of supplemental-plan-only service earned before January 1, 1980. Final-average salary is the employee's average salary over the 36 consecutive or joined months that produce the highest average. Employees who terminate with at least the amount of creditable service as previously stated and do not withdraw their employee contributions may retire at the ages specified above and receive the benefit accrued to their date of termination. The System also provides death and disability benefits. Benefits are established or amended by state statute.

The Parochial Employees' Retirement System issues an annual publicly available financial report that includes financial statements and required supplementary information. That report may be obtained by writing to the Parochial Employees' Retirement System, Post Office Box 14619, Baton Rouge, Louisiana 70898-4619 or by calling (225)928-1361.

Funding Policy. Under Plan A, members are required by state statute to contribute 9.5% of their annual covered salary and the Ambulance District is required to contribute at an actuarially determined rate of 15.75% of annual covered payroll for 2011 and 2010, respectively. Contributions to the System include one-fourth of one percent of the amount of the taxes shown to be collectible by the tax rolls of each parish. These tax dollars are divided between Plans A and B, based proportionately on the salaries of the active members of each plan. The contribution requirements of plan members and the Ambulance District are established and may be amended by state statute. As provided by R.S. 11:103, the employer contributions are determined by actuarial valuation and are subject to change each year based on the results of the valuation for the prior fiscal year. The Ambulance District's contributions to the System under Plan A for the years ended December 31, 2011, 2010 and 2009 were \$122,845, \$115,840, and \$80,008, respectively, and equal to the required contribution for each year.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

NOTES TO FINANCIAL STATEMENTS

Note 11. Prior Period Adjustment

A prior period adjustment was recorded to correct an error in recording property tax revenues in previous years. The net effect of these errors was to overstate ending net assets at December 31, 2010 by \$39,753. The change in net assets for the year ended December 31, 2010 was not effected by the adjustment.

SUPPLEMENTARY INFORMATION

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULES OF BOARD FEES
Years Ended December 31, 2011 and 2010

Board Members:

	2011	2010
Elsie Frank	\$ 500	\$ 500
Lowell Keys	550	550
Jackie Holland	500	500
Susan Doumite	300	200
Yvonne Hyatt	250	450
	<u>\$ 2,100</u>	<u>\$ 2,200</u>

The schedule of compensation paid to the Board of Commissioners is presented in compliance with House Concurrent Resolution No. 54 of the 1979 Session of the Legislature. The Ambulance Service District's Board Members receive \$50 for each day of attendance at meetings of the commission.



BROUSSARD, POCHÉ, LEWIS & BREAUX, L.L.P.
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Frank A. Stagno, CPA*
Scott J. Broussard, CPA*
L. Charles Abshire, CPA*
P. John Blanchet, III, CPA*
Martha B. Wyatt, CPA*
Mary A. Castille, CPA*
Joey L. Breaux, CPA*
Craig J. Viator, CPA*
John L. Istre, CPA*
Elizabeth J. Moreau, CPA*
Frank D. Bergeron, CPA*
Lonnie J. Hebert, CPA*
Robert M. DeRouen, Jr. CPA*

Retired:

Sidney L. Broussard, CPA 1925-2005
Leon E. Poché, CPA 1984
James H. Breaux, CPA 1987
Erma R. Walton, CPA 1988
George A. Lewis, CPA 1992
Geraldine J. Wimberley, CPA 1995
Lawrence A. Cramer, CPA 1999
Ralph Friend, CPA 2002
Donald W. Kelley, CPA 2005
George J. Trappey, III, CPA 2007
Terrel P. Dressel, CPA 2007
Herbert Lemoine II, CPA 2008
Mary T. Miller, CPA 2011

**REPORT ON INTERNAL CONTROL OVER FINANCIAL REPORTING AND
ON COMPLIANCE AND OTHER MATTERS BASED ON AN AUDIT OF
FINANCIAL STATEMENTS PERFORMED IN ACCORDANCE WITH
GOVERNMENT AUDITING STANDARDS**

To the Board of Commissioners
Allen Parish Ambulance Service District No. 1
Kinder, Louisiana

We have audited the basic financial statements of the Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2011 and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States.

Internal Control Over Financial Reporting

Management of Allen Parish Ambulance Service District No. 1 is responsible for establishing and maintaining effective internal control over financial reporting. In planning and performing our audit, we considered the Allen Parish Ambulance Service District No. 1's internal control over financial reporting as a basis for designing our auditing procedures for the purpose of expressing our opinion on the financial statements, but not for the purpose of expressing an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting. Accordingly, we do not express an opinion on the effectiveness of the Allen Parish Ambulance Service District No. 1's internal control over financial reporting.

A *deficiency in internal control* exists when the design or operation of a control does not allow management or employees, in the normal course of performing their assigned functions, to prevent, or detect and correct, misstatements on a timely basis. A *material weakness* is a deficiency, or combination of deficiencies, in internal control, such that there is a reasonable possibility that a material misstatement of the Allen Parish Ambulance Service District No. 1's financial statements will not be prevented, or detected and corrected, on a timely basis. We consider the deficiency described in the accompanying schedule of findings and responses to be a material weakness.

Our consideration of the internal control over financial reporting was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in the internal control that might be deficiencies, significant deficiencies or material weaknesses and, therefore, there can be no assurance that all such deficiencies have been identified.

Members of American Institute of
Certified Public Accountants
Society of Louisiana Certified
Public Accountants

* A Professional Accounting Corporation

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the Allen Parish Ambulance Service District No. 1's financial statements are free of material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the determination of financial statement amounts. However, providing an opinion on compliance with those provisions was not an objective of our audit and, accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance or other matters that are required to be reported under *Government Auditing Standards*.

The Allen Parish Ambulance Service District No. 1's response to the finding identified in our audit is described in the accompanying schedule of findings and responses. We did not audit the Allen Parish Ambulance Service District No. 1's response and, accordingly, we express no opinion on it.

This report is intended solely for the information and use of management, the Board of Commissioners, others within the entity, federal award agencies and pass-through entities and is not intended to be and should not be used by anyone other than these specified parties. However, this report is a matter of public record and its distribution is not limited.

Broussard, Poché, Lewis & Bremel, L.L.P.

Lafayette, Louisiana
June 22, 2012

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

SCHEDULE OF FINDINGS AND RESPONSES
Year Ended December 31, 2011

We have audited the basic financial statements of Allen Parish Ambulance Service District No. 1 as of and for the year ended December 31, 2011, and have issued our report thereon dated June 22, 2012. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our audit of the basic financial statements as of and for the year ended December 31, 2011 resulted in an unqualified opinion.

Section I. Summary of Auditors' Reports

Report on Internal Control and Compliance Material to the Financial Statements

Internal Control over financial reporting:

- Material weakness(es) identified? ☒ Yes ☐ No
- Control deficiency(ies) identified that we do not consider to be material material weaknesses ☐ Yes ☒ None reported

Noncompliance material to financial statements noted ☐ Yes ☒ No

Section II. Financial Statement Findings

2011-1 Segregation of Duties

Finding: The Ambulance District does not have adequate segregation of duties. A system of internal control procedures contemplates a segregation of duties so that no one individual handles a transaction from its inception to its completion. While we recognize the Ambulance District may not be large enough to permit such procedures, it is important that you be aware of this condition. This condition was also included in the 2010 audit as item 2010-1.

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Section III. Federal Award Findings and Questioned Costs

Not applicable.

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1

**SCHEDULE OF PRIOR YEAR FINDINGS
Year Ended December 31, 2011**

Section I. Internal Control and Compliance Material to the Financial Statements

2010-1 Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned, the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible. Board members should also review all financial information.

Current status: NOT RESOLVED – The Ambulance District is aware of and has evaluated this issue and concluded that it would not be cost beneficial or possible with the limited resources available to create a segregated accounting environment. The Ambulance District will continue to monitor this issue with segregation of duties, and continues to review all financial information on a timely basis. This finding is also included in the audit report for the year ended December 31, 2011 and described in 2011-1.

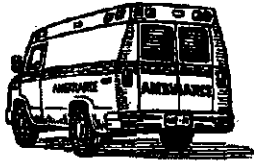
Section II. Internal Control and Compliance Material to the Federal Awards

Not applicable.

Section III. Management Letter

Not applicable.

ALLEN PARISH AMBULANCE SERVICE DIST I



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Director Mark Lyons
Asst Director Jane Lormand
Office Manager Carla Marcantel

MANAGEMENT CORRECTIVE ACTION PLAN

June 22, 2012

Legislative Auditor
State of Louisiana
P.O. Box 94397
Baton Rouge, Louisiana 70804-9397

Allen Parish Ambulance Service District No 1 respectfully submits the following corrective action plan for the year ended December 31, 2011.

Name and address of independent public accounting firm:

Broussard, Poche', Lewis & Breaux, L.L.P.
Certified Public Accountants
101 Independence Blvd
Lafayette, Louisiana 70506

Audit Period: January 1, 2011 through December 31, 2011.

The findings from the 2011 schedule of findings and responses are discussed below. The findings are numbered consistently with the numbers assigned in the schedule. Section I of the schedule, Summary of Auditor's Reports, does not include findings and is not addressed.

Section II: Financial Statement Findings

2011-1 - Segregation of Duties

Recommendation: Keeping in mind the limited number of personnel to which duties can be assigned; the Ambulance District should continue to monitor assignment of duties to assure as much segregation of duties and responsibility as possible, and the board should review financial information on a timely basis.

Response: The Ambulance District is aware of and evaluated this problem and concluded that it would no be cost beneficial or possible with the limited resources available to create a segregated accounting environment. However, the Ambulance District will continue to monitor this issue and the board will review financial information on a timely basis.

Responsible party: Mark Lyons, Director

ALLEN PARISH AMBULANCE SERVICE DISTRICT NO. 1